
EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

FINANCIAL STATEMENTS

DECEMBER 31, 2009 and 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/28/10



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EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVING PLANS

FINANCIAL STATEMENTS

DECEMBER 31, 2009 and 2008

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Independent Auditors' Report

The Board of Directors
East Jefferson General Hospital

We have audited the accompanying statement of plan net assets available for benefits of the East Jefferson General Hospital Retirement and Savings Plans (the Plans) as of December 31, 2009 and the related statement of changes in plan net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plans' management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Plans as of and for the year ended December 31, 2008, were audited by other auditors whose report dated March 30, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plans' internal control over financial reporting. Our audit included consideration of the internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the plan net assets available for benefits of the East Jefferson General Hospital Retirement and Savings Plan at December 31, 2009 and the changes in plan net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2010 on our consideration of the East Jefferson General Hospital Retirement and Savings Plans' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 12, the schedule of employer contributions on page 25, and the schedule of funding progress on page 26 are not a required part of the basic financial statements, but are supplementary information required by the principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Postlethwaite & Netterville

Metairie, Louisiana
May 7, 2010

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the financial performance of East Jefferson General Hospital's Savings and Pension Plan provides an overview of the Defined Contribution and Defined Benefit Plans' financial activities for the fiscal years ended December 31, 2009 and 2008. Please read this section in conjunction with the financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

The following highlights are explained in greater detail later in this discussion.

Defined Benefit Retirement Plan – Financial Highlights for the Year Ended December 31, 2009

- The net assets held in trust for the Defined Benefit Retirement Plan increased by \$4,817,325 during the 2009 fiscal year and totaled \$32,180,260 as of December 31, 2009.
- Retirement benefits paid during 2009 increased \$216,081 to total \$2,830,845.
- Employer contributions to the Plan increased \$438,060 during 2009 to total \$1,851,102.
- Net appreciation in the fair market value of investments was \$5,142,199 compared to net depreciation of \$11,840,881 for the prior fiscal year.
- Investment advisory and custodial fees decreased \$82,071 to total \$165,101.

Defined Contribution Savings Plans – Financial Highlights for the Year Ended December 31, 2009

- The aggregate net assets held in trust for the Defined Contribution Savings Plans increased by \$21,616,627 during the 2009 fiscal year and totaled \$102,815,154 as of December 31, 2009.
- Net appreciation in fair market value of investments was \$13,279,249 compared to net depreciation of \$22,835,405 for 2008.
- Total contributions to the Savings Plans decreased by \$1,100,979 to total \$12,720,013 on December 31, 2009.
- Total withdrawals increased \$1,573,411 during 2009 bringing total withdrawals to \$6,117,886.

Defined Benefit Retirement Plan – Financial Highlights for the Year Ended December 31, 2008

- The net assets held in trust for the Defined Benefit Retirement Plan decreased by \$12,353,963 during the 2008 fiscal year and totaled \$27,362,935 as of December 31, 2008.
- Retirement benefits paid during 2008 increased \$114,973 to total \$2,614,764.
- Employer contributions to the Plan decreased \$84,676 during 2008 to total \$1,413,042.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Net appreciation in the fair market value of investments was \$11,840,881 compared to net appreciation of \$2,887,546 for the prior fiscal year.
- Investment advisory and custodial fees decreased \$27,925 to total \$247,172.

Defined Contribution Savings Plans – Financial Highlights for the Year Ended December 31, 2008

- The aggregate net assets held in trust for the Defined Contribution Savings Plans decreased by \$9,852,554 during the 2008 fiscal year and totaled \$81,198,527 as of December 31, 2008.
- Net appreciation in fair market value of investments was \$22,835,405 compared to net appreciation of \$1,368,673 for 2007.
- Total contributions to the Savings Plans increased by \$419,514 to total \$13,820,992 on December 31, 2008.
- Total withdrawals increased \$393,200 during 2008 bringing total withdrawals to \$4,544,474.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Plans' basic financial statements include the following:

1. Statements of plan net assets available for benefits,
2. Statements of changes in plan net assets available for benefits, and
3. Notes to the financial statements.

The statements of plan net assets available for benefits report the Plans' assets, liabilities, and resultant net assets held in trust for pension benefits. It discloses the financial position of the Plans as of December 31, 2009 and December 31, 2008.

The statements of changes in plan net assets available for benefits report the results of the Plans' operations during the years disclosing the additions to and deductions from the plan net assets. It supports the change that has occurred to the prior year's net asset value on the statement of plan net assets available for benefit.

The notes to the financial statements provide additional information and insight that are essential to gaining a full understanding of the data provided in the statements.

The notes to the statements are followed by required supplementary information and supplementary information that further explain and support the information in the financial statements.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHANGES TO THE DEFINED BENEFIT PENSION PLAN

In July 2008, the Board of Directors approved an Amendment to provide retirement benefits to team members and physicians of East Jefferson Physicians Group, L.L.C., a Louisiana limited liability company. The Plan was amended as follows: Definition of Employer, Service Crediting, Preservation of Benefits, No Termination of Employment, No Duplication of Benefits, and Effective Time. Further explanations on the items mentioned above can be found under the section changes to the Defined Contribution Savings Plan Structure.

The Defined Benefit Plan Statement of Overall Investment Policy and Guidelines was revised in July 2008 and approved by the Board of Directors on July 2009. The revision of the plan changed the allocation for the plan assets to be invested in accordance with the maximum and minimum range for each asset category as stated below.

For the total fund:

<u>Asset Category</u>	<u>Minimum</u>	<u>Policy Target</u>	<u>Maximum</u>
Large Cap Stocks	23%	33%	43%
Small Cap Stocks	6%	14%	22%
International Stocks	5%	11%	17%
U.S. Fixed Income	13%	23%	33%
Int'l Fixed Income	2%	5%	8%
Hedge Funds	6%	14%	22%

For 2010 the recommended contribution is \$2,554,536, \$703,434 more than the 2009 recommended contribution of \$1,851,102. This relative increase in the required annual contribution is attributable to the change in actuarial asset method used. Effective with the actuarial value of assets as of January 1, 2010, the actuarial value method used is market value. For 2009 the recommended contribution is \$1,851,102, \$438,059 more than the 2008 recommended contribution of \$1,413,043. This increase can be attributable to the poor market conditions during 2008.

FINANCIAL ANALYSIS – RETIREMENT PLAN

Defined Benefit Retirement Plan - 2009 and 2008

The net assets held in trust for the Defined Benefit Retirement Plan increased by \$4,817,325 during the 2009 fiscal year and totaled \$32,180,260 as of December 31, 2009.

While the \$5,142,199 fair market value appreciation of plan investments contributed to an increase in net assets during 2009, investment growth has increased in comparison to the \$11,840,881 depreciation reported in 2008. This increase was offset by increases in net assets attributable to a \$216,081 increase in retirement benefits paid and a \$82,071 net decrease in advisory and custodial fees.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

When combined with the effects of a \$438,060 increase in employer contributions, the net assets held in trust increased \$4,817,325 compared to the \$12,353,963 decrease reported in 2008.

Retirement Plan				
Plan Net Assets Available for Benefits				
	2009	2008	Difference	Difference
Investments	\$ 32,237,080	\$ 27,402,144	\$ 4,834,936	17.6%
Receivables	12,601	20,911	(8,310)	-39.7%
Total assets	32,249,681	27,423,055	4,826,626	17.6%
Total liabilities	69,421	60,120	9,301	15.5%
Plan net assets	<u>\$ 32,180,260</u>	<u>\$ 27,362,935</u>	<u>\$ 4,817,325</u>	17.6%

The primary investment advisor, Equitas Capital Advisors, LLC, monitors and reports regularly on the performance of nine sub-advisors specializing in: Large Cap Equity Value, Small Cap Equity Value, Hedge Funds, International Equity/Fixed, and Fixed Income/Intermediate Term Bonds. During 2009, the fair market value of investments held by the Defined Benefit Pension Plan revealed a net appreciation of \$5,142,199. Equitas Capital Advisors has calculated the net time-weighted rate of return for the plan year ending December 31, 2009 at 22.70%. This is an increase of 51.67% compared to the (28.97%) net time-weighted rate of return reported in 2008 and 4.07% higher than Equitas' Balanced Index benchmark. The over-performance of the Plan's investment relative to industry benchmarks can mostly be attributed to the 41.32% returns provided by the Plan's Fixed Income Manager and the International Fixed Income Manager.

Retirement Plan				
Changes in Plan Net Assets Available for Benefits				
	2009	2008	Difference	Difference
Additions:				
Contributions	\$ 1,851,102	\$ 1,413,042	\$ 438,060	31.0%
Investment income (loss)	5,962,169	(10,905,069)	16,867,238	-154.7%
Less: fees	(165,101)	(247,172)	82,071	-33.2%
Total additions	7,648,170	(9,739,199)	17,387,369	-178.5%
Deductions:				
Benefits	2,830,845	2,614,764	216,081	8.3%
Change in plan net assets	4,817,325	(12,353,963)	17,171,288	-139.0%
Plan net assets, beginning of year	27,362,935	39,716,898	(12,353,963)	
Plan net assets, end of year	<u>\$ 32,180,260</u>	<u>\$ 27,362,935</u>	<u>\$ 4,817,325</u>	17.6%

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Employer contributions to the Plan increased \$438,060 to total \$1,851,102 in 2009. This contribution was approved by the Board of Directors and corresponded to the recommended contribution amount detailed in the 2009 Plan Year Actuarial Valuation performed by Milliman. The comparative increase in the required contribution is primarily attributable to change in actuarial asset method used. The actuarial valuation for the plan year beginning January 1, 2010 recommends a \$2,554,536 contribution to the Pension Trust Fund during 2010.

The Schedule of Contributions (on page 25) presents historical trend information about the annual required employer contributions and the contributions made in relation to the requirement. The Schedule of Funding Progress (on page 26) includes historical trend information about the actuarially funded status of the plan from an on-going plan perspective and the progress made in accumulating sufficient assets to pay benefits and insurance premiums when due. These schedules provide information that contributes to understanding the changes over time in the funding status of Plan.

Defined Benefit Retirement Plan - 2008 and 2007

The net assets held in trust for the Defined Benefit Retirement Plan decreased by \$12,353,963 during the 2008 fiscal year and totaled \$27,362,935 as of December 31, 2008.

Retirement Plan
Plan Net Assets Available for Benefits

	<u>2008</u>	<u>2007</u>	<u>Difference</u>	<u>Difference</u>
Investments	\$ 27,402,144	\$ 41,046,315	\$(13,644,171)	-33.2%
Receivables	20,911	171,365	(150,454)	-87.8%
Total assets	27,423,055	41,217,680	(13,794,625)	-33.5%
Total liabilities	60,120	1,500,782	(1,440,662)	-96.0%
Plan net assets	<u>\$ 27,362,935</u>	<u>\$ 39,716,898</u>	<u>\$(12,353,963)</u>	-31.1%

While the \$11,840,881 fair market value depreciation of plan investments contributed to a decrease in net assets during 2008, investment growth has decreased significantly in comparison to the \$2,887,546 appreciation reported in 2007. This decrease was offset by increases in net assets attributable to an \$114,973 increase in retirement benefits paid and a \$27,925 net decrease in advisory and custodial fees. When combined with the effects of a \$84,677 decrease in employer contributions, the net assets held in trust decreased \$12,353,963 compared to the \$2,892,529 increase reported in 2007.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Ten investment advisors managed the investments in the Retirement Plan as of December 31, 2008. The primary investment advisor, Equitas Capital Advisors, LLC, monitors and reports regularly on the performance of nine sub-advisors specializing in: Large Cap Equity Value, Small Cap Equity Value, Hedge Funds, International Equity/Fixed, and Fixed Income/Intermediate Term Bonds. During 2008, the fair market value of investments held by the Defined Benefit Pension Plan revealed a net depreciation of \$11,840,881. Equitas Capital Advisors has calculated the net time-weighted rate of return for the plan year ending December 31, 2008 at (28.97%). This is a decrease of 39.76% compared to the 10.79% net time-weighted rate of return reported in 2007 and 3.86% lower than Equitas' Balanced Index benchmark. The under-performance of the Plan's investment relative to industry benchmarks can mostly be attributed to the (23.43%) returns provided by the Plan's Small Cap Equity Manager and the International Equity Manager.

Retirement Plan				
Changes in Plan Net Assets Available for Benefits				
	2008	2007	Difference	Difference
Additions:				
Contributions	\$ 1,413,042	\$ 1,497,719	\$ (84,677)	-5.7%
Investment income (loss)	(10,905,069)	4,169,698	(15,074,767)	-361.5%
Less: fees	(247,172)	(275,097)	27,925	-10.2%
Total additions	(9,739,199)	5,392,320	(15,131,519)	-280.6%
Deductions:				
Benefits	2,614,764	2,499,791	114,973	4.6%
Change in plan net assets	(12,353,963)	2,892,529	(15,246,492)	-527.1%
Plan net assets, beginning of year	39,716,898	36,824,369	2,892,529	
Plan net assets, end of year	<u>\$ 27,362,935</u>	<u>\$ 39,716,898</u>	<u>\$ (12,353,963)</u>	-31.1%

Employer contributions to the Plan decreased \$84,677 to total \$1,413,042 in 2008. This contribution was approved by the Board of Directors and corresponded to the recommended contribution amount detailed in the 2008 Plan Year Actuarial Valuation performed by Milliman. The comparative increase in the required contribution is primarily attributable to the freezing of the Defined Benefit Plan and the resulting elimination of normal cost from the actuarial contribution calculation. The actuarial valuation for the plan year beginning January 1, 2009 recommends a \$1,851,102 contribution to the Pension Trust Fund during 2009.

CHANGES TO THE DEFINED CONTRIBUTION SAVINGS PLAN STRUCTURE

In the third quarter of 2008, the board of Directors adopted a resolution to include east Jefferson Physicians, L.L.C. physicians and team members to the 401(a) Savings Plan, 401(a) Special Pay Plan, 403(b) Savings Plan, 403(b) Special Pay Plan, and the 457(b) Savings Plan.

EAST JEFFERSON GENERAL HOSPITAL
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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Plans were amended as follows:

1. **Definition of Employer:** The definition of employer in the Plan is revised to include the LLC.
2. **Service Crediting:** All service performed for either EJGH or the LLC shall be aggregated for purposes of eligibility, vesting, and accrual of benefits under the Plan.
3. **Preservation of Benefits:** All pre-transfer account balances, credits, and accrual of the transferring employees shall be preserved after the transfer. All prior employee elections and designation shall also remain in effect.
4. **No termination of Employment:** No employee shall be considered as having terminated employment under the Plan solely as a result of transferring his or her employment from EJGH to the LLC, or vice versa.
5. **No duplication of Benefits:** In no event shall any employee receive duplicate benefits from the Plan as a result of this Amendment.
6. **Effective Time:** This Amendment became effective August 1, 2008

This amendment was necessary to continue benefits for physicians and team members whose employment was transferred to east Jefferson Physicians, L.L.C. without interruption, augmentation or reduction by Jefferson Parish Hospital Service District No. 2. East Jefferson General Hospital retains administrative and substantive control of the benefit plans.

In July 2009, the Board of Directors approved a resolution to add two more investments options to the 401(a) Retirement Savings, 403(b) Retirement Savings and 457(b) Voluntary Retirement Savings Plans. The Van Kampen Growth Income was added to the Large Value Category, and the Artisan Mid-Cap Value was added as an option under the Mid-Cap Value Category. Total investment options for team members to choose from for investment diversification in the Savings Plans are as follow:

<u>Asset Category</u>	<u>Fund Name</u>
Foreign Large Blend	American Funds EuroPacific Growth
World Stock	American Funds Capital World Growth & Income
Small Growth	JP Morgan Small Cap Growth
Small Blend	Oppenheimer Main Street Small Cap
Small Value	Allianz NFJ Small Cap Value
Mid-Cap Growth	Columbia Acorn
Mid-Cap Blend	Dreyfus Midcap Index
Mid-Cap Value	Artisan Mid Cap Value
Large Growth	American Funds Growth Fund of America
Large Blend	American Funds Growth Fund of America
Large Value	Dodge & Cox and Van Kampen Growth & Income
Moderate Allocation	American Funds American Balanced
Intermediate-Term Bond	PIMCO Total Return
Money Market	American Century Capital Preservation Money Market
Stable Value	Fixed Interest Option
Lifestyle Funds	Target Maturity – T Rowe Price 10 Series

EAST JEFFERSON GENERAL HOSPITAL
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MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS – SAVINGS PLANS

Defined Contribution Savings Plans - 2009 and 2008

The net assets held in trust for the combined Savings Plan administered by East Jefferson General Hospital increased by \$21,616,627 during the 2009 fiscal year. Net appreciation of \$13,279,249 was the main force behind the decrease in net assets. Combined investment income, net of investment advisory fees, totaled \$15,573,275 in 2009. Total withdrawals, benefit paid, and forfeiture was \$6,676,661 for the year.

Savings Plans				
Plan Net Assets Available for Benefits				
	2009	2008	Difference	Difference
Investments	\$ 97,965,254	\$75,904,310	\$22,060,944	29.1%
Receivables	4,849,900	5,294,217	(444,317)	-8.4%
Total assets	102,815,154	81,198,527	21,616,627	26.6%
Plan net assets	\$102,815,154	\$81,198,527	\$21,616,627	26.6%

As stated above, the 2009 Savings Plan investments reflected a net appreciation in fair market value of \$13,279,249. While the appreciation of the fair market value of investments indicates a positive rate of return for 2009, returns have increased in comparison to the \$22,835,405 net depreciation observed in 2008.

Savings Plans				
Changes in Plan Net Assets Available for Benefits				
	2009	2008	Difference	Difference
Additions:				
Contributions	\$ 12,720,013	\$ 13,820,992	\$ (1,100,979)	-8.0%
Investment income (loss)	15,574,927	(18,609,756)	34,184,683	-183.7%
Less: fees	(1,652)	(5,361)	3,709	-69.2%
Total additions	28,293,288	(4,794,125)	33,087,413	-690.2%
Deductions:				
Benefits	6,117,886	4,544,475	1,573,411	34.6%
Forfeitures	558,775	513,955	44,820	8.7%
Total deductions	6,676,661	5,058,430	1,618,231	32.0%
Change in plan net assets	21,616,627	(9,852,555)	31,469,182	-319.4%
Plan net assets, beginning of year	81,198,527	91,051,082	(9,852,555)	-10.8%
Plan net assets, end of year	\$ 102,815,154	\$ 81,198,527	\$ 21,616,627	26.6%

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Total contributions to the Savings Plans decreased by \$1,100,979 to total \$12,720,013. Employer contributions had a net decrease of \$375,667. Total team member contribution to the Savings Plans decreased by \$725,312 for the year. Team-member contributions to the 403(b) plan decreased by \$726,985 versus an increase of \$1,673 in the 457(b) plan. The 403(b) decrease corresponds to the reduction of 103 plan participants during 2009. As participation in the 403(b) plan decreased, employer contributions to the 403(b) plan decreased as well.

Defined Contribution Savings Plans - 2008 and 2007

The net assets held in trust for the combined Savings Plan administered by East Jefferson General Hospital decreased by \$9,852,555 during the 2008 fiscal year. Net depreciation of \$22,835,405 was the main force behind the decrease in net assets. Combined investment income, net of investment advisory fees, totaled a loss of \$18,615,117. Total withdrawals, benefit paid, and forfeiture was \$5,058,430 for the year.

Savings Plans				
Plan Net Assets Available for Benefits				
	2008	2007	Difference	Difference
Investments	\$ 75,904,310	\$ 85,922,451	\$ (10,018,141)	-11.7%
Receivables	5,294,217	5,128,631	165,586	3.2%
Total assets	<u>81,198,527</u>	<u>91,051,082</u>	<u>(9,852,555)</u>	-10.8%
Plan net assets	<u>\$ 81,198,527</u>	<u>\$ 91,051,082</u>	<u>\$ (9,852,555)</u>	-10.8%

As stated, the 2008 Savings Plan investments reflected a net depreciation in fair market value of \$22,835,405. While the depreciation of the fair market value of investments indicates a negative rate of return for 2008, returns have decreased in comparison to the \$1,368,673 net appreciation observed in 2007.

Total contributions to the Savings Plans increased by \$419,514 to total \$13,820,992. Employer contributions had a net increase of \$672,490 and composed 1.6% of the overall increase. Total contribution by team members' decreased by \$252,976 for the year. Team-member contributions to the 403(b) plan decreased by \$344,949 versus and increase of \$97,814 in the 457(b) plan. The 403(b) decrease corresponds to the reduction of 365 403(b) plan participants during 2008. As participation in the 403(b) plan decreased, employer contributions to the 403(b) plan decrease as well.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Savings Plans
Changes in Plan Net Assets Available for Benefits

	<u>2008</u>	<u>2007</u>	<u>Difference</u>	<u>Difference</u>
Additions:				
Contributions	\$ 13,820,992	\$ 13,401,478	\$ 419,514	3.1%
Investment income (loss)	(18,609,756)	4,633,124	(23,242,880)	-501.7%
Less: fees	(5,361)	(69,868)	64,507	-92.3%
Total additions	<u>(4,794,125)</u>	<u>17,964,734</u>	<u>(22,758,859)</u>	-126.7%
Deductions:				
Benefits	4,544,475	4,151,274	393,201	9.5%
Forfeitures	513,955	380,505	133,450	35.1%
Total deductions	<u>5,058,430</u>	<u>4,531,779</u>	<u>526,651</u>	11.6%
Change in plan net assets	(9,852,555)	13,432,955	(23,285,510)	-173.3%
Plan net assets, beginning of year	91,051,082	77,618,127	13,432,955	17.3%
Plan net assets, end of year	<u>\$ 81,198,527</u>	<u>\$ 91,051,082</u>	<u>\$ (9,852,555)</u>	-10.8%

EJGH RETIREMENT AND SAVINGS PLANS AS A WHOLE

During the year ended December 31, 2009, East Jefferson General Hospital's combined plan net assets increased \$26,433,952, to total \$134,995,414. Much of the observed upturn in the plan assets is attributable to the positive returns on investments. The 403(b) Plan active participants decreased by 4% (103 participants) to total 2,495 at year end and total contributions for the defined benefit and defined contribution plans decrease \$662,919 to total \$14,571,115. New enrollments to the Savings Plan decrease by 25.6% to total 215.

During the year ended December 31, 2008, East Jefferson General Hospital's combined plan net assets decreased \$22,206,517, to total \$108,561,462. Much of the observed decline in the plan assets is attributable to the negative returns on investments and the decrease in total combine contributions. Plan participants decreased by 146 to total 1,170 at year end and total contributions for the defined benefit and defined contribution plans increased \$334,837 to total \$15,234,034.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided or requests for additional financial information should be addressed to Judy Brown, Senior Vice President and Chief Financial Officer, (504) 454-4023 East Jefferson General Hospital, 4200 Houma Boulevard, Metairie, Louisiana 70006.

**EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS
STATEMENTS OF PLAN NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2009 AND 2008**

	2009					2008				
	Defined Benefit Plan	Defined Contributions Savings Plans			Total	Defined Benefit Plan	Defined Contributions Savings Plans			Total
		401(k)	403(b)	457(b)			401(a)	403(b)	457(b)	
ASSETS										
Receivables										
Accrued interest and dividends	\$ 12,601	\$ -	\$ -	\$ -	\$ 12,601	\$ 20,911	\$ -	\$ -	\$ -	\$ 20,911
Contributions receivable:										
Employee	-	-	200,692	60,130	260,822	-	-	222,747	61,889	284,636
Employer	-	2,951,294	1,637,784	-	4,589,078	-	3,038,254	1,951,337	-	5,009,591
Total receivables	12,601	2,951,294	1,838,476	60,130	4,862,501	20,911	3,038,254	2,174,074	61,889	5,294,217
Investments, at fair value:										
Cash equivalents	1,774,915	-	-	-	1,774,915	4,447,401	-	-	-	4,447,401
Corporate bonds	-	-	-	-	-	816,794	-	-	-	816,794
Equities	17,150,250	-	-	-	17,150,250	12,081,052	-	-	-	12,081,052
Mutual funds	9,133,092	-	-	-	9,133,092	5,872,033	-	-	-	5,872,033
Investment in partnership	4,178,823	-	-	-	4,178,823	4,184,864	-	-	-	4,184,864
AIG Value	-	44,478,310	146,763	8,349,125	97,965,254	-	37,284,070	32,092,806	5,798,302	75,904,310
Total investments	32,237,080	44,478,310	146,763	8,349,125	130,202,334	27,402,144	37,284,070	32,092,806	5,798,302	103,306,454
Total assets	32,249,681	47,429,604	46,939,532	8,409,255	135,064,835	27,423,055	40,342,324	34,866,880	5,860,191	108,621,582
LIABILITIES										
Accounts payable	69,421	-	-	-	69,421	60,120	-	-	-	60,120
Total liabilities	69,421	-	-	-	69,421	60,120	-	-	-	60,120
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 32,180,260	\$ 47,429,604	\$ 46,939,532	\$ 8,409,255	\$ 134,995,414	\$ 27,362,935	\$ 40,342,324	\$ 34,866,880	\$ 5,860,191	\$ 108,561,462

The accompanying notes are an integral part of these statements.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS
STATEMENTS OF CHANGES IN PLAN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009					2008				
Defined Benefit Retirement Plan	Defined Contribution Savings Plans			Total Defined Contribution Savings Plans	Defined Benefit Retirement Plan	Defined Contribution Savings Plans			Total Defined Contribution Savings Plans	
	401(a)	Special	403(b)			401(a)	Special	403(b)		
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1,851,102	3,191,790	-	1,956,079	5,147,869	1,413,042	-	2,141,912	3,552,956	6,936,978	
1,851,102	3,191,790	-	7,804,134	12,720,013	1,413,042	-	8,716,952	13,420,992	15,234,034	
Total contributions										
46,923	534,452	2,637	496,575	1,136,097	560,377	2,568	477,158	1,091,856	1,652,133	
775,047	526,138	-	546,785	1,397,551	375,535	-	1,351,513	3,133,793	3,509,328	
Total dividends										
5,142,199	5,912,661	13,413	6,097,291	18,421,446	(11,840,881)	(23,195)	(8,848,658)	(22,853,405)	(34,676,280)	
5,962,169	6,973,251	18,052	7,140,651	21,357,066	(10,905,069)	(22,627)	(7,019,997)	(18,605,246)	(29,514,822)	
Total appreciation (depreciation) in fair value of investments										
106,192	-	-	-	106,192	198,519	-	4,490	5,361	198,519	
58,909	-	-	-	60,561	48,653	-	-	-	54,014	
Total investment advisory services										
5,797,068	6,973,251	18,052	7,140,651	21,370,343	(11,152,241)	(10,051,999)	(7,024,487)	(18,613,117)	(29,767,358)	
Total investment income (loss)										
7,648,170	10,165,041	18,052	14,944,785	35,941,458	(9,739,199)	(6,670,375)	1,692,465	(4,794,129)	(14,533,324)	
Total additions										
DEDUCTIONS:										
2,830,845	2,837,281	421	2,665,838	8,948,731	2,614,764	6,322	1,551,730	4,544,475	7,159,239	
Total retirement benefits paid and savings plan withdrawals										
-	240,480	-	318,295	558,775	-	-	190,585	513,955	513,955	
Total forfeitures of non-vested contributions										
2,830,845	3,077,761	421	2,982,133	9,507,506	2,614,764	6,322	1,742,315	5,058,430	7,073,104	
Total deductions										
4,817,325	7,087,280	17,631	11,962,652	26,433,952	(12,353,963)	(23,949)	(49,850)	(9,852,555)	(22,206,518)	
NET INCREASE (DECREASE)										
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS										
27,362,935	40,342,324	120,132	34,866,880	108,561,462	39,716,898	138,081	34,916,750	5,780,490	130,767,980	
\$ 32,180,260	\$ 47,422,604	\$ 146,763	\$ 46,820,532	\$ 102,815,154	\$ 27,362,935	\$ 40,342,324	\$ 34,866,880	\$ 5,860,191	\$ 108,561,462	
Beginning of year										
End of year										

The accompanying notes are an integral part of these statements.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS
NOTES TO FINANCIAL STATEMENTS

1. Description of the Plans

General

The East Jefferson General Hospital Retirement Plan and Savings Plan Committee is the administrator of a single-employer defined benefit retirement plan and hospital sponsored defined contribution savings plans. The Plans were established for the purpose of providing retirement benefits for substantially all employees of East Jefferson General Hospital (Hospital).

Defined Benefit Retirement Plan

All full-time employees hired or re-hired prior to January 1, 2005 who are at least age 21 with at least one year of credited service are eligible to participate in the Plan. Plan benefits vest after 5 years of credited service. Employees who retire at, or after, age 62 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, unless the present value amount is under \$8,500. In these instances, the employer has the option to distribute benefits to the employee in a lump sum payment. The Plan also provides early retirement benefits at reduced amounts at age 55 with 10 years of service. The Plan also provides death benefits depending upon the payment option elected. This benefit provision and all other requirements are established by the Plan. In January 2005, a resolution was adopted to freeze the defined benefit plan effective April 1, 2005. Non-vested employees hired prior to January 1, 2005 will continue to vest in the plan, pending continual employment through the vesting date.

Membership in the Plan as of the last actuarial valuation consists of January 1:

	<u>2010</u>	<u>2009</u>
Retirees and beneficiaries receiving benefits	606	567
Terminated employees entitled to benefits but not yet receiving them	1,608	1,580
Active employees	<u>1,081</u>	<u>1,170</u>
Total Participants	<u><u>3,295</u></u>	<u><u>3,317</u></u>

Pension Benefits

The annual benefit at normal retirement will be equal to the benefit accrued through December 31, 1988 under the previous pension plan formula plus, for each year after 1988, benefits accrued under a new formula. Under the formula benefits accrued at 0.75% of participant's annual pay up to a designated "breakpoint" and 0.5% of annual pay in excess of the breakpoint. Benefits ceased to accrue effective April 1, 2005 with the freezing of the Plan as of that date.

The pension benefits will be fully vested after five credited years of employment with the Hospital (counting all prior service). Prior service counts for vesting purposes for terminated employees rehired within five years that were not fully vested at termination.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

NOTES TO FINANCIAL STATEMENTS

1. Description of the Plans (continued)

Defined Benefit Retirement Plan (continued)

At retirement, the participant may choose to receive a monthly benefit amount in one of several annuity forms – life annuity, joint and survivor annuity, and ten year certain and life annuity.

Death Benefits

If a participant dies after becoming vested, the surviving spouse will receive a monthly benefit from the plan. This benefit is only available to the surviving spouse and will be payable at the time the participant would have qualified for early retirement, unless the spouse elects to defer payments to a later date.

Contributions

The Plan's funding policy provides for actuarially determined periodic contributions.

The actuarially recommended contribution for the plan years ending December 31, 2009 and 2008 is shown below.

Valuation date Plan year	January 1, 2009 2009	January 1, 2008 2008
Annual contribution:		
As a dollar amount	\$ 1,851,102	\$ 1,413,042
As a percent of payroll	3.03%	2.11%
Participant payroll	\$ 61,093,503	\$ 67,011,684

Defined Contribution Savings Plans

The Savings Plans includes a 401(a) plan that was frozen to new participants effective December 31, 2003 and reactivated in 2007. The Savings Plans also includes two 403(b) plans (the 403(b) and 403(b) Special) and a 457(b) plan that were established effective January 1, 2004. The 401(a) plan covers all full-time employees who have been employed for a twelve-month period during which at least one thousand hours of service are completed and who are at least twenty-one years of age.

With the exception of leased employees, all employees at least 21 years of age are eligible to make elective deferrals under the 403(b) plan. All full and part-time employees are eligible for employer contributions under the 403(b) plan after attaining age 21 and completing one month of employment. All full and part-time employees are eligible for the 403(b) Special plan. All employees who are at least 18 years of age are eligible to participate in the 457(b) Plan.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS
NOTES TO FINANCIAL STATEMENTS

1. Description of the Plans (continued)

Defined Contribution Savings Plans (continued)

The number of participants in each of the savings plans as of December 31 is as follows:

	<u>2009</u>	<u>2008</u>
401(a)	3,860	3,769
403(b) Special	46	47
403(b)	3,784	3,760
457(b)	691	646

Contributions

The 403(b) Plan allows for employee elective deferrals to be made up to the limits allowed by the IRS. Effective April 2005, employer basic contribution increases in 0.5% increments for every five years of credited service. The initial base contribution is 2% for less than five years of service. Matching employer contributions are made at a rate equal to 100% of the elective deferral of each employee up to 2%. Effective in 2006, the plan was amended to change the Hospital's funding to an annual basis, from pay period, and allows for confirmation of an employee's eligibility.

The 403(b) Special Plan provides deferral only after the following criteria are met:

1. Team members must first exercise their annual cash-in option of 80 hours.
2. Team members must submit a PTO allocation form between December 1 and December 15 indicating their requested deferral.

Special pay contributions are made with respect to both accumulated vacation and accumulated sick time.

The 457(b) plan allows employee elective deferrals up to the annual limits allowed by the IRS. No employer contributions are made to this plan.

The 401(a) plan was frozen effective December 31, 2003 and reactivated during 2007. During this period of time, the Hospital discontinued providing the Hospital Basic contributions to the 403(b) plan and began funding these contributions to the 401(a) plan. The Hospital Basic Contribution percentage amounts are provided to participants according to their Benefit Service Date. The participants' voluntary pre-tax deductions and the Hospital Matching Contributions continue to be funded to the 403(b) plan.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

NOTES TO FINANCIAL STATEMENTS

1. Description of the Plans (continued)

Defined Contribution Savings Plans (continued)

The employer contribution percentages for the 401(a) plan by Benefit Service Date are as follows:

<u>Number of Years</u>	<u>Contribution %</u>
0 to 5	2.0%
5+ to 10	2.5%
10+ to 15	3.0%
15+ to 20	3.5%
20+ to 25	4.0%
25+	5.0%

Participants' Accounts

Participants in the Savings Plans have separate accounts for each of the Plans. Each participant's account is credited with the Hospital's contribution, if applicable, and Plan earnings. Allocation of the Hospital's contributions is based on Plan compensation. Compensation for Plan purposes is the employee's eligible annual compensation as specified in the plan document.

Vesting

The participant is one hundred percent vested in Hospital contributions after the completion of five credited years of vesting service and upon death, disability or termination of the Plan with the exception of the 403(b) Special which provides for immediate 100% vesting. Vesting status is not pro-rated for the other defined contribution plans. For this purpose, participants earn one year of vesting service for each year in which they work one thousand hours or more. Any contributions made by participants for the Plans, and earnings on those contributions, are one hundred percent vested to the participants when made.

Withdrawals and Distributions

Participants are allowed to withdraw their own contributions from the 401(a) plan. Hospital contributions may not be withdrawn. Withdrawals are limited to one per calendar year. No contributions may be made to the plan for a six-month period after a withdrawal, and during those six months the participant is ineligible to receive the Hospital's matching contributions.

Only hardship withdrawals are allowed for the 403(b) and 457(b) plans. AIG Valic determines if a participant is eligible for a hardship withdrawal based on IRS Section 457(d)(1)(A)(iii) of the Code. The 403(b) Special Plan does not provide for in service distributions.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

NOTES TO FINANCIAL STATEMENTS

1. Description of the Plans (continued)

Defined Contribution Savings Plans (continued)

Loans are not permitted under the terms of the Plan with the exception of the 403(b) Special Plan.

With the implementation of the Katrina Emergency Tax Relief Act of 2005 (KETRA), employees were allowed withdrawals of their own contributions without the 10% early withdrawal penalty. Although the Hospital does not allow loans, KETRA provided for these funds to be "re-contributed" to an eligible retirement plan at any time within the next three years.

Upon termination of employment for resignation, dismissal, retirement, or death, the participant's contributions plus the vested portion of the Hospital's contributions, and the related earnings may be distributed to the participant or his/her designated beneficiary. In addition, the employee may remain in the Plan, request a rollover distribution, or a distribution in the form of a lump sum or annuity provided by the investment advisor.

Forfeitures

Basic and matching deposits in the account of a participant who separates from service prior to becoming vested are forfeited and used to reduce Hospital contributions.

If a participant returns to service within five years, the dollar amount forfeited is restored to his account.

During the years ended December 31, 2009 and 2008 the 401(a) Plan used \$240,480 and \$323,370 respectively in forfeitures to offset employer contributions. During the years ended December 31, 2009 and 2008 the 403(b) Plan used \$318,295 and \$190,585 in forfeitures to offset employer contributions.

2. Summary of Significant Accounting Policies

The financial statements are presented in accordance with standards established by the Governmental Accounting Standards Boards (GASB). These financial statements include the provisions of GASB Statement No. 34, Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments and related standards.

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Interest and dividend income is recognized when earned.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (continued)

Method Used to Value Investments

Investments are reported at fair value, based on quoted market prices, short-term investments are reported at cost and insurance contracts at contract value, which approximates fair value.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Tax Status

Both the retirement plan and 401(a) Savings Plan have obtained favorable determination letters. Although those Plans have been subsequently amended, it is believed that they are being operated in compliance with the applicable requirements of the Internal Revenue Code. The 403(b), 403(b) Special and 457(b) are proto-type plans that have been designed to meet the requirements of the Internal Revenue Code.

3. Deposits, Cash Equivalents and Investments

Following are the components of the Plan's cash equivalents and investments at December 31, 2009 and 2008.

	Defined Benefit Retirement Plan	Savings Plans	Total
<u>2009</u>			
Cash equivalents	\$ 1,774,915	\$ -	\$ 1,774,915
Investments	30,462,165	97,965,254	128,427,419
	<u>\$ 32,237,080</u>	<u>\$ 97,965,254</u>	<u>\$ 130,202,334</u>
<u>2008</u>			
Cash equivalents	\$ 4,447,401	\$ -	\$ 4,447,401
Investments	22,954,743	75,904,310	98,859,053
	<u>\$ 27,402,144</u>	<u>\$ 75,904,310</u>	<u>\$ 103,306,454</u>

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

NOTES TO FINANCIAL STATEMENTS

3. Deposits, Cash Equivalents and Investments (continued)

Cash Equivalents

The cash equivalents totaling \$1,774,915 and \$4,447,401 at December 31, 2009 and 2008, respectively, consist of government backed pooled funds. The funds are held by a sub-custodian and are managed by a separate money manager and are in the name of the custodian's trust department.

Investments

Hospital service districts are authorized under Louisiana R.S. 46:1068 to establish and maintain actuarially sound pension and retirement systems making contributions from hospital service district funds. They may make contracts of insurance with any insurance company legally authorized to do business in Louisiana and may enter into other contracts and Trust Agreements with banks, which are incidental to creating and maintaining an actuarially sound pension and retirement system. At December 31, 2009 and 2008, the Retirement Plan's investments were held by JP Morgan Chase. The Savings Plans' investments are held by AIG Federal Savings Bank.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The plans' investment policy states that no more than 5% (of cost) of the assets assigned to an investment manager may be invested in the securities of one issuer. At December 31, 2009 and 2008, there were no investment holdings that exceeded the Plan's concentration of credit risk policy.

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Following are the credit ratings of the plans' investments in long-term debt securities as of December 31, 2008. The plans did not have investments in long-term securities at December 31, 2009:

<u>Investment</u> <u>Type</u>	<u>Corporate Bonds</u>
AAA	\$ 210,302
AA+	56,797
AA	80,058
A	303,873
A-	52,921
BBB+	112,843
	<u>\$ 816,794</u>

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS
NOTES TO FINANCIAL STATEMENTS

3. Deposits, Cash Equivalents and Investments (continued)

The plans' investment policy regarding credit risk states that all fixed income securities shall carry an investment grade rating of BBB or higher.

Custodial Credit Risk

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The plans hold its cash equivalents in a nominee name in the amount of \$1,774,905 and \$4,447,401 at December 31, 2009 and 2008, respectively. The plans have assets in the amount of \$128,427,419 and \$98,859,053 for December 31, 2009 and 2008, respectively, which are not held in a nominee name or in the name of the plans and therefore exposed to custodial credit risk. These assets are held in JP Morgan Chase and Valic custodial accounts.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in the interest rates will adversely affect the fair value of an investment. At December 31, 2008, the Retirement Plan had the following investments in long-term debt securities and maturities.

<u>Investment Type</u>	<u>Total Fair Value</u>	<u>Less than 1 year</u>	<u>1 - 5 years</u>	<u>6 - 10 years</u>	<u>Greater than 10 years</u>
Corporate Bonds	\$ 816,794	\$ -	\$ 578,574	\$ -	\$ 238,220

The Plans did not have long-term debt securities at December 31, 2009.

The Plans have no formal investment policy regarding interest rate risk.

The Plans invest in collateralized mortgage obligations. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

Investment in Partnership

During the years ended December 31, 2009 and 2008, the Retirement Plan has invested in Equitas Evergreen Fund, L.P. As of December 31, 2009, the investment had a cost basis of \$5,185,360 and a market value of \$4,178,823. As of December 31, 2008, the investment had a cost basis of \$5,535,360 and a market value of \$4,184,864.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

NOTES TO FINANCIAL STATEMENTS

4. Savings Plan Funds

During the year ended December 31, 2004 agreements with AIG Valic were obtained for each of the Savings Plans. The hospital invests each participant's deferred compensation as directed by the employee. The investments are generally mutual funds; however, the plan documents provide for other types of investments. The responsibility for the selection of the investment alternatives has been retained by the Hospital.

The funds are included in the financial statements as December 31, 2009 and 2008 at fair market value.

5. Plan Termination

Although it has not expressed any intent to do so, the Hospital has the right under the Plans to discontinue its contributions at any time and to terminate the Plans.

6. Actuarial Cost Method

The Traditional Unit Credit Cost Method was used to calculate the funding requirements for the defined benefit retirement plan for the years ended December 31, 2009 and 2008. Under this cost method, the normal cost of active participants under normal retirement age is equal to the actuarial present value of the benefit expected to accrue during the next year, taking into account pension, termination, death, and disability benefits. The normal cost for the plan is the total of the individually computed normal cost for all participants.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, and turnover which are assumed to hold for many years into the future.

7. Funded Status and Funding Progress – Retirement Plan

The funded status of the Plan as of December 31, 2009 and 2008, respectively, is based on the most recent actuarial valuation as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Accrued Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1						
2010	\$ 32,249,681	\$ 59,702,876	\$ 27,453,195	54.0	\$ 57,757,738	47.5
2009	\$ 37,047,904	\$ 56,941,416	\$ 19,893,512	65.1	\$ 61,093,503	32.6

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS

NOTES TO FINANCIAL STATEMENTS

7. Funded Status and Funding Progress – Retirement Plan (continued)

The required schedule of funding progress following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additional information for the actuarial valuation is as follows:

Plan Year	<u>2009</u>	<u>2008</u>
Valuation Date	January 1, 2010	January 1, 2009
Actuarial Cost Method	Traditional Unit Credit	Traditional Unit Credit
Asset Valuation Method	Market Value	3-year smoothing
Actuarial Assumptions:		
Investment Rate of Return	8.50% per annum	8.50% per annum
Amortization Method	Level Dollar	Level Dollar
Amortization Period	30 years remaining (Open Basis)	30 years remaining (Open Basis)
Salary Increase Rate	0%	0%

8. Required Supplementary Schedules

Information in the required supplemental schedules is designed to provide information about the Defined Benefit Retirement Plan's progress made in accumulating sufficient assets to pay benefits and is presented on pages 25-26.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS
SUPPLEMENTARY INFORMATION (RETIREMENT PLAN)
SCHEDULE OF EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2003 THROUGH 2009

<u>Year Ended</u> <u>December 31</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2003	\$ 3,476,412	100 %
2004	2,953,227	100
2005	1,444,309	100
2006	1,484,628	100
2007	1,497,719	100
2008	1,413,042	100
2009	1,851,102	100

See independent auditors' report.

EAST JEFFERSON GENERAL HOSPITAL
RETIREMENT AND SAVINGS PLANS
SUPPLEMENTARY INFORMATION (RETIREMENT PLAN)
SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2003 THROUGH 2009

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2004	\$ 32,338,261	\$ 46,598,037	\$ 14,259,776	69.4 %	\$ 80,774,461	17.7 %
1/1/2005	34,833,733	50,355,490	15,521,757	69.2	88,164,146	17.6
1/1/2006	34,719,918	50,674,981	15,955,063	68.5	69,325,248	23.0
1/1/2007	36,954,546	53,050,297	16,095,751	69.7	69,482,662	23.2
1/1/2008	39,790,947	54,976,707	15,185,760	72.4	67,011,684	22.7
1/1/2009	37,047,904	56,941,416 ¹	19,893,512	65.1	61,093,503	32.6
1/1/2010	32,249,681	59,702,876 ²	27,453,195	54.0	57,757,738	47.5

¹ Effective with the 1/1/2009 actuarial valuation, the actuarial value of assets recognizes the difference between expected and actual net investment return over 3 years. (3-year smoothing)

² Effective with the 1/1/2010 actuarial valuation, the actuarial value of assets is set equal to the market value of assets, thus fully recognizing gains/losses from previous years.

See independent auditors' report.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

The Board of Directors
East Jefferson General Hospital

We have audited the accompanying statement of plan net assets available for benefits of the East Jefferson General Hospital Retirement and Savings Plans (the Plans) as of December 31, 2009, and have issued our report thereon dated May 7, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Plans' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Plans' internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plans' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite & McHerville

Metairie, Louisiana
May 7, 2010